NEWS RELEASE

Hon. Robert T. Matsui

Member of Congress

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GOP SPECIAL-INTEREST TAX BREAKS SLOW DOWN TAX RELIEF TO U.S. MILITARY

WASHINGTON, DC—Today Congressman Robert T. Matsui (D-CA) commented on the failure of the House to consider H.R. 878, the Military Tax Fairness Act of 2003. The House was scheduled to take up the bill today, but the House Republican Leadership pulled the bill. Republicans on the House Ways and Means Committee loaded the legislation with special-interest tax breaks last week. Democrats had pressured the Republicans to drop these provisions. The GOP Leadership's refusal to drop the special-interest provisions divided the Republican caucus, and the bill was pulled from the calendar.

"This bill is meant to provide tax relief for military families, but House Republicans turned it into a vehicle for pet special-interest tax breaks," said Matsui. "We should pass a clean bill that will help those defending our country as soon as possible. These special-interest provisions would have slowed the bill down in the Senate. They should be removed immediately so we can fill what is a very real and pressing need for our men and women in uniform."

The underlying bill would provide several tax breaks to members of the Armed Services and the Foreign Service, including capital gains tax relief on the sale of a principal residence and tax-free treatment of death gratuity payments. The legislation was amended in Committee to include tax breaks for foreigners who bet on U.S. horse races, fishing tackle box manufacturers, archery bows, certain fuel manufactures, and others.

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